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97TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 97-852

COMPLETED 5 ORIGINAL

PROVIDING AMOUNTS FROM THE CONTINGENT FUND OF THE HOUSE FOR FURTHER EXPENSES OF INVESTIGATIONS AND STUDIES BY THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT IN THE 2D SESSION OF THE 97TH CONGRESS

SEPTEMBER 22, 1982.—Referred to the House Calendar and ordered to be printed

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Mr. ANNUNZIO, from the Committee on House Administration, submitted the following

REPORT

[To accompany H. Res. 568]

The Committee on House Administration to whom was referred the resolution (H. Res. 568) having considered the same, report favorably thereon without amendment and recommend that the resolution do pass.

By unanimous consent, on September 22, 1982, the committee adopted a motion to report House Resolution 568.

REQUIREMENTS OF RULE XI

There were no oversight findings or recommendations submitted pursuant to clause 2(b)(1) of Rule X.

No statement was deemed necessary under section 308(a) of the Congressional Budget Act of 1974.

The Director of the Congressional Budget Office did not submit an estimate and comparison under section 403 of the Congressional Budget Act of 1974.

The Committee on Government Operations did not submit a summary of oversight findings and recommendations pursuant to clause 4(c)(2) of Rule X.

GENERAL DISCUSSION

House Resolution 568 provides $200,000 for the further expenses of the Committee on Standards of Official Conduct. The resolution limits spending for consultants to that amount.

During hearings on this resolution before the Subcommittee on Accounts, Chairman Louis Stokes testified that this request was necessary to carry out the mandate of House Resolution 518 adopted by the House on July 13, 1982, by a vote of 407 to 1.

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The additional expenses made necessary by adoption of H. Res. 518 were not anticipated when the primary expense resolution was adopted.

JUSTIFICATION FOR SUPPLEMENTAL FUNDING REQUEST SUBMITTED BY THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

In their statements, the Honorable Louis Stokes, Chairman, and the Honorable Floyd Spence, Ranking Minority Member, of the Committee on Standards of Official Conduct, outlined the committee's need for supplemental funding as follows:

Mr. STOKES. I am here today in support of House Resolution 568. This Resolution seeks supplemental funding for the Committee on Standards of Official Conduct to carry out the mandate of House Resolution 518 adopted by the House on July 13, 1982. House Resolution 518 directed the Committee to conduct an investigation into (1) alleged improper or illegal sexual conduct by members, officers, or employees of the House; (2) illicit use or distribution of drugs by members, officers, or employees of the House; and (3) preferential treatment accorded in exchange for sexual favors or drugs.

In January of this year, the Committee on Standards of Official Conduct requested an operating budget for 1982 of $200,000—less than half of its budget for 1981. When we made that budget request, I noted in my statement to this Committee, Mr. Chairman, that "forecasting our money requirements is plain guesswork" and that if "we are faced with some now unforeseen duties you may be assured that we will be back to you for the supplemental budget necessary to fully carry out those duties."

House Resolution 518 has now imposed on the Committee the "unforeseen duties" that I referred to in my remarks to this subcommittee earlier this year. And the Committee must now come back to you for a supplemental budget request of $200,000 which is required for the Committee to discharge the responsibilities that the House has imposed on it.

Mr. Chairman, in discussing House Resolution 518 on the floor before the House voted, I urged the House to support that resolution as follows:

"The Constitution places on the House of Representatives the duty to police itself. Allegations of impropriety must be proven or disproven in a manner which is fair, impartial, through, and expeditious. The integrity of the House of Representatives demands such an inquiry. The Committee is determined to carry out a full and impartial process that will discharge the House's responsibility under Article 1, Section 5, of the U.S. Constitution."

To assure such an investigation, the Committee decided to retain outside independent counsel to work with it on this matter. On July 27, 1982, the Committee engaged Joseph A. Califano, Jr. of the law firm of Califano, Ross & Heineman to be Special Counsel to oversee the investigation under House Resolution 518.

At the time Mr. Califano's appointment was announced, the Speaker of the House stated:

"I assure the Committee, Mr. Califano, and the American people that this investigation has the full support of the House leadership and, as I said before, I hope the inquiry will proceed fully, fairly and swiftly."

Mr. Michel, the Republican leader in the House, stated that he "endorsed wholeheartedly [Mr. Califano's] selection here as the Special Counsel for the Committee because I know he will do the kind of job that all of us are expecting to be done in this particular case."

Mr. Chairman, we are seeking today the resources to do the job the Speaker and Mr. Michel referred to. It is, of course, difficult to predict in advance the course any investigation will take. As you know, the Congress will adjourn in early October and a post-election session is at best in doubt. We have, therefore, made the present request to assure sufficient funding for the investigation for the balance of the year.

Substantial work lies ahead in both areas that the Committee has been directed to investigate. With respect to the allegations concerning alleged sexual misconduct, primarily relating to House pages, attention has focused initially on allegations made by two pages. However, the Committee has several matters that must be looked into—in addition to the allegations of these two pages—before its investigation into possible sexual misconduct by members, officials, or employees of the House can be concluded.

With respect to the Committee's investigation into possible illicit use or distribution of drugs, by members, officers, or employees of the House, the Special Counsel's staff has identified numerous separate matters in which investigative activities must be carried out. In several of these areas, the Special Counsel's staff has already commenced its own investigtaion. The remaining areas are linked to the Justice Department's investigation of these matters. With respect to those, the Special Counsel is negotiating with the Justice Department to develop a cooperative working relationship between the Committee investigation and the Justice Department probe.

The budget request embodied in House Resolution 568 represents our efforts to assure that the resources necessary to carry out the investigation under the House eRsolution 518 will be available. Even with the increase proposed in this Resolution, the total budget for the Committee on Standards of Official Conduct this year—$400,000—will still be less than the amount requested by the Committee during any of the past five years. I think the record will show that, in the years since its creation, the Committee has adhered to a policy of frugality with public funds.

The additional $200,000 authorized by House Resolution 568 is divided among four expense categories: Travel, witnesses, consultant fees, and contingency reserve.

The travel budget has been increased to assure adequate funds to cover two types of expenses: First, to fund travel by the Committee's investigators outside Washington; second, to fund travel by members of the Committee to Washington conduct depositions while Congress is out of session at the end of this year. The witness budget has been increased to cover the cost of travel to Washington of witnesses for interviews and depositions. The increase in both these categories reflects the fact that virtually all House pages have left the Washington area.

The increase in consultant fees will cover both contracts for legal and investigative services and one anticipated reimbursable detail of a lawyer from an Executive agency. All the expense figures for contracts and reimbursable details that have been provided to you, Mr. Chairman, represent our best estimate of the work likely to be needed to carry out the investigation. If the actual time required is less than the estimate, any unused funds will not be expended.

Specifically, the requested increase in consultant fees will cover the following: First, it will cover the Committee's contract with Mr. Califano's law firm. The projection of this contract expense assumes the commitment of four of the firm's lawyers, including Mr. Califano, to the investigation. Second, the increase in consultant fees will cover two contracts with ex-FBI agents needed to add specialized experience to the Special Counsel's investigative staff. One contract has been signed (with Execon); we anticipate signing the second contract in the near future. Third, the increase in consultant fee covers the Committee's contract for legal services of Hamilton P. Fox, III. The Committee has retained Mr. Fox, a former Supreme Court law clerk with extensive experience in the U.S. Attorney's Office in Washington, D.C. and in the Justice Department, at Mr. Califano's request to work with the investigative staff in the Committee's fact-finding efforts. Fourth, the requested increase in consultant fees will cover the reimbursable detail of a lawyer from an Executive agency. We expect this detail to be negotiated in the near future. The $13,000 in the Miscellaneous category of the Committee's budget covers reimbursement to these consultants for expenses associated with their work.

Finally, the Committee's supplemental budget request provides for the creation of a $6,000 contingency reserve to cover any unexpected expenses that arise. In this connection, it is important to note two facts. First, we have proposed no increase at this time in our budget for telephone expenses, for publication expenses, or for equipment supplies. Second, with Congress out of session at the end of the year, we will have no ability to obtain additional funding if unexpected expenses do arise.

Mr. Chairman, if any of these funds prove not to be needed, let me assure you that they will not be spent and will be returned to the House by our Committee, as we did last year when we turned back nearly half of our budgeted funding.

Mr. SPENCE. I want to concur in the statement that the Chairman has made in support of the supplemental budget request for the Committee on Standards of Official Conduct.

As the Chairman has pointed out, the Committee's original budget request this year was extraordinarily low—well under half of the Committee's authorized budget for 1981. It was understood when we made that original that we would have to return for additional funding if events required that the Committee undertake a major investigation. That eventually has now occurred.

The investigation which the Committee has undertaken pursuant to House Resolution 518 must be carried out fully, thoroughly, and expeditiously. This investigation is a non-partisan matter. We are all vitally concerned that it be done carefully and well and in a way that will withstand the test of time. At the same time we want the investigation to proceed as rapidly as possible.

To accomplish both of these goals—that the investigation be both thorough and expeditious—requires adequate resources. The supplemental budget request that we have submitted will provide the Committee's Special Counsel with the resources that we anticipate will be needed. At the same time, as the Chairman has pointed out, even with this supplemental funding the Committee's budget for 1982 will still be less than the Committee's budget for last year and less than the Committee has requested in any of the preceding five years. The Committee's supplemental budget is, in short, completely consistent with frugal management of public funds while at the same time providing the support needed for the investigation being carried out under House Resolution 518.

Summary of budget

1981 authorization	$450,000
1982 authorization	200,000
1982 supplemental request	200,000
1982 authorization and supplemental	400,000
1982 authorization and supplemental under 1981 authorization by	50,000

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